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NOMINATION OF LAWRENCE A. WRIGHT

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON THE

NOMINATION OF

LAWRENCE A. WRIGHT TO BE A JUDGE OF THE UNITED STATES TAX COURT

SEPTEMBER 26, 1984

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NOMINATION OF LAWRENCE A. WRIGHT

TUESDAY, SEPTEMBER 26, 1984

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The committee met, pursuant to notice, at 2:18 p.m. in room SD–215, Dirksen Senate Office Building, Hon. Robert J. Dole (chairman) presiding.

Present: Senator Dole.

[The press release announcing the hearing, the prepared written statement of Senator Dole and the résumé of Lawrence A. Wright follow:]

[Press Release No. 84–16]

FINANCE COMMITTEE APPROVES NOMINATION

Senator Robert J. Dole (R., KS), Chairman of the Committee on Finance, announced yesterday that the Committee approved and ordered favorably reported a nomination by President Reagan that recently had been referred to the Committee.

Mr. Lawrence A. Wright, of Burlington, Vermont, has been nominated to be a judge of the United States Tax Court. He has been practicing law with the firm of Gravel, Shea & Wright, Ltd. in Burlington, Vermont, since 1971. From 1969 to 1971 he served as State Tax Commissioner for the Vermont Department of Taxes, and from 1958 to 1969 he was employed as senior trial counsel with the Internal Revenue Service in Boston, Massachusetts. After graduating from Infantry Officer Candidate School in 1947 Mr. Wright served with the Army on active duty for 42 months. He received his Bachelor of Arts degree from the University of Maine, his law degree from Georgetown University Law School, and his Masters in law from Boston University Law School.

STATEMENT OF SENATOR DOLE ON NOMINATION OF LAWRENCE A. WRIGHT

I welcome today our nominee for the Tax Court, Mr. Lawrence A. Wright, his wife, Avis, his son James and his wife, Susan, his two other sons, Stephen and Douglas, and friends. I am pleased to note that, following the pattern of recent nominations considered by the committee, President Reagan again has chosen a person of fine qualifications to carry out the Government's responsibilities in the position for which he has been nominated.

For the record, we have reviewed the financial disclosure forms of the nominee, and the materials he has filed with the Office of Government Ethics. In addition, the filings have been forwarded to Judge Tamm of the Judicial Ethics Commission for his review. I am satisfied that there are no problems in this area.

Also, I have received a letter from the Director of Government Ethics approving the nominee's compliance with the Ethics in Government Act. The letter will be made a part of the record.

Mr. Wright has practiced law since 1971 in Burlington, Vermont, where presently he is a senior member of the law firm of Gravel, Shea & Wright, Ltd. From 1969 to 1971 Mr. Wright served as State tax commissioner for the Vermont Department of Taxes, and from 1958 to 1969 he was employed as senior trial

counsel with the Internal Revenue Service in Boston, Massachusetts. After graduating from Infantry Officer Candidate School in 1947 Mr. Wright served with the Army on active duty for 42 months. He received his bachelor of arts degree from the University of Maine, his law degree from Georgetown University Law School, and his masters in law from Boston University Law School.

I am pleased to have Mr. Wright before us today, and to have my two distinguished colleagues from Vermont, Senator Leahy and Senator Stafford, here to introduce Mr. Wright to the committee.

Mr. Wright, do you have any statement you wish to make?

[Biographical summary of Lawrence A. Wright follows:]

LAWRENCE A. WRIGHT
BIOGRAPHICAL SUMMARY

19 Scotsdale Road, South Burlington, VT 05401
Telephone (802) 658-3847
Business (802) 658-0220

BORN:

Stratton, Maine
December 25, 1927

MARITAL STATUS:

Married to Avis F. Leahy Wright
June 14, 1953
at Orono, Maine

FAMILY:

Five Sons (Youngest two, ages 16 and 20, still reside at home)

CIVILIAN EDUCATION:

Attended high school, Stratton, Maine
Attended University of Maine, Bachelor of Arts in Government 1953
Attended Georgetown University Law School, JD 1956
Attended Boston University Law School, Master of Law in Taxation 1962

MILITARY SERVICE:

Enlisted U.S. Army on May 22, 1945 at age 17
Served on active duty for 42 months; Honorable Discharge as 2nd Lieutenant 1948
Served in Army Reserve for 30 years until 1978 when retired as Colonel

EMPLOYMENT EXPERIENCE:

Employed upon graduation from University of Maine in 1953 by the United States Department of Justice, Washington, D.C.
Employed as Security Officer, Central Intelligence Agency Headquarters, Washington, D.C. from 1954 to 1958
Employed as Senior Trial Counsel, Litigation Division, Office of the Regional Counsel, Internal Revenue Service, Boston, Massachusetts 1958 to 1969
Employed as State Tax Commissioner for the Vermont Department of Taxes, Montpelier, Vermont 1969 to 1971

EMPLOYMENT EXPERIENCE: (Continued)

Employed in private practice of law as tax attorney in Burlington, Vermont 1971 to present date
Presently a senior member of the Burlington law firm of Gravel, Shea & Wright, Ltd.

ORGANIZATIONAL AFFILIATIONS:

Member of the Bars for the State of Maine (1956), District of Columbia (1956), Commonwealth of Massachusetts (1969), State of Vermont (1971)
Member of the American Bar Association (Tax Section), the Boston Bar Association and the Vermont Bar Association
Chairman, Taxation Section, Vermont Bar Association 1976, 1977
President, 1974, 1975, Vermont Chapter, Reserve Officers Association
Member of Association of the United States Army
Active in numerous civic and community service organizations as officer or director and presently on State Board of Commissioners and President of the Boy Scouts of America, Green Mountain Chapter, State of Vermont; Vermont Representative, National Council, Boy Scouts of America
Commissioner, American Battle Monuments Commission, 1981-Present

[pmw13h]

The CHAIRMAN. I welcome today our nominee for the Tax Court, Mr. Lawrence A. Wright; his wife, Avis; and members of his family. I am pleased to note that following the pattern of recent nominations considered by the committee, President Reagan has again chosen a person of fine qualifications to carry out the Government's responsibilities for the position that he has been nominated.

I would like to state for the record that we have reviewed the financial disclosure forms of the nominee and the materials he has filed with the Office of Government Ethics. In addition, the filings have been forwarded to Judge Tamn of the Judicial Ethics Commission for his review.

I am satisfied there are no problems in this area.

I am very pleased to introduce my two colleagues today who, I trust, will comment favorably on the nomination. Senator Stafford.

Senator STAFFORD. Thank you very much, Mr. Chairman. And we really appreciate your courtesy in having the hearing this afternoon to listen to testimony in favor of Larry Wright to be a U.S. Tax Court judge.

I cannot think of anybody in the State of Vermont as well qualified as Mr. Wright is to be a U.S. Tax Court judge.

He has a master of law in taxation from Boston University Law School on top of the usual degrees. And since I have known him, which covers about 15 years, he served as Vermont's tax commissioner for a time and has been engaged in private practice essentially with a practice in taxation matters in Vermont, both personal and corporate taxes. So I am especially pleased, to be very brief, to say that on the basis of what I know about Larry Wright and what the people in Vermont think of him, and his professional experience and capability, I recommend him most highly to this committee to be confirmed as U.S. Tax Court judge.

The CHAIRMAN. Thank you. Senator Leahy.

Senator LEAHY. Mr. Chairman, I have found for years and years when people have called me in looking for somebody who can handle tax law matters in Vermont, I always say, well you mean if Larry Wright or his partner, Charley Shea, are too busy you are looking for somebody because it is sort of axiomatic in our State, you would call Mr. Wright first. And it has always been that way.

But it is more than just being a good tax lawyer. There are a lot of good tax lawyers who wouldn't necessarily be a good Tax Court judge.

Larry Wright has the temperament as well as the expertise and it is not always that you find both combinations or have that combination. He has that combination. And I unreservedly endorse him and urge his confirmation.

I would also point out, which I am sure is not unnoticed by the chairman, this is a totally bipartisan endorsement. In fact, I think it goes beyond being a bipartisan endorsement. It is really a nonpartisan endorsement. And I think that my distinguished senior colleague and I are saying that we are looking at what is best for the country. And you could do no better than Larry Wright.

I have already told Senator Stafford that should he be confirmed by this committee, I will immediately bring it up with the Democratic leader in the Senate, saying that I would hope that on our side there

would be no objection to immediately bringing it to the floor. And, of course, that is a matter that is subject to you and the majority leader for scheduling. But I will tell you right now that on our side of the aisle there are not only no objections but encouragement. He is a fine man and should be in this position.

The CHAIRMAN. We appreciate the statements of both of the Senators from Vermont. And I have all the proxies on the committee. I think we are so far in pretty good shape. [Laughter.]

Larry, do you have any comments that you would like to make before I ask you three hard questions?

STATEMENT OF LAWRENCE A. WRIGHT, NOMINATED TO BE A JUDGE OF THE UNITED STATES TAX COURT

Mr. WRIGHT. I don't think so other than to express my appreciation for the hearing this afternoon. And I want to express my appreciation to both of the distinguished Senators from Vermont for the very nice things that they have said.

The CHAIRMAN. I would just ask a couple of questions. Have you discussed the possible conflict of interest with the committee's chief counsel and with Mr. Stern, the minority staff director?

Mr. WRIGHT. Yes. I have talked to both of them and gone over my financial statements with them. And I am meeting this afternoon with the chief judge of the Tax Court at 4 o'clock and I am going to discuss the same subject with him.

The CHAIRMAN. Is there any reason of which you are aware that would preclude you from serving in the office to which you have been nominated?

Mr. WRIGHT. No, sir, none that I am aware of. I hope that I can serve this position with distinction and will do my best to do so.

The CHAIRMAN. Your principal residence must be in Washington if you are confirmed. Do you plan to move?

Mr. WRIGHT. Yes; I have a son that is still in high school and I intend to keep my residence in Vermont so that he can finish out his school year. But I will be moving my family down, hopefully, in the spring.

The CHAIRMAN. It is going to be difficult to move from Vermont.

Mr. WRIGHT. Well if the Tax Court was headquartered in Vermont it would be very nice, but it isn't. And I have spent 4 years in Washington and enjoyed it immensely and so did my wife.

The CHAIRMAN. From your experience as a trial counsel for the IRS between 1958 and 1969 do you have any thoughts on how we can process the caseload more efficiently? You know there is a big backlog and we fuss about it on this committee. We haven't yet determined how we can address this properly. If you have any thoughts that you would like to express on the record, or if you would like to discuss this with us privately at some time, we really would appreciate it.

Mr. WRIGHT. I don't know. That docket for 19 judges is, of course, an impossible situation at the current time. I don't know how many of those cases are related to each other, but I have heard rumors that there are 20,000 cases backed up, or some such number.

I think that the determination that was made in the last most recent tax bill to put on a penalty interest probably will do as much to move that as anything I know.

I have handled in my private practice tax shelter cases, where clients have been disallowed, and when I am dealing with a businessman or a doctor or a dentist who has been disallowed, their admonition to their tax counsel is "Do what you can to stall it," because they are all looking for cash flow. And I think that this committee in the Senate and in the House have helped that situation by putting a penalty interest on. And I think that will help move some of those shelter cases which I think make up the bulk of that backlog.

Other than that, I really don't have any thoughts on it because each and every one of those taxpayers thinks he is entitled to his day in court, and under our system I guess he is.

The CHAIRMAN. He certainly is. But I think we have a problem that we have to address at some time.

I understand there are no questions from the minority side, and I have no additional questions. I would ask that my statement be made a part of the record. If either of the Senators would like to add anything to their statements, please feel free to do so. If not, the hearing is completed, unless Mr. Wright you had something else you wish to say.

Mr. WRIGHT. Thank you. I have nothing.

The CHAIRMAN. What we will do to accommodate you and your Senators, is poll the nomination out of the committee. I am not certain when we will meet again, or when we will have a quorum here, but we will do the polling as quickly as we can.

Thank you very much, and again are pleased to have your family at the hearing.

Mr. WRIGHT. Thank you, Mr. Chairman.

Senator STAFFORD. Thank you.

Senator LEAHY. Thank you.

[Whereupon, at 2:27 p.m., the hearing was concluded.]

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